

REMARKS

Claims 14-33 are currently pending in this case. Claims 14, 16, 19, and 22 are amended; claims 30-33 are new. Support for both the amendments and the new claims can be found throughout the specification, especially at pages 5-10. The amendments are made for clarification only; they are not believed to be necessary to distinguish over the cited prior art.

Applicants thank Examiner Hamilton for the courteous interview held on March 23, 2006. However, Applicants still have not received any comments from the Examiner regarding the claim amendments made herein and proposed at the interview and, in the absence of such comments, are filing this Response in order to avoid incurring additional extension fees.

Applicants have carefully considered the Office Action mailed on February 8, 2005 and in response submit the following remarks.

Claims 14-29 stand rejected under 35 U.S.C. § 102(e) as anticipated by U.S. Pat. App. Pub. No. 2004/0098327, to Seaman. These rejections are respectfully traversed.

The comments and explanations regarding Seaman made in previous responses to office actions in this case are incorporated herein by reference. Moreover, the explanation at the Interview that seemed to Applicants to convince the Examiner that Seaman does not anticipate or render claim 14 obvious is reiterated below.

Specifically, Seaman is directed to a financial instrument purchased by an investor *from* an issuer. On the other hand, the present invention is directed to a financial instrument (“derivative instrument”) purchased *by* an issuer of equity securities from another entity (such as an investment bank).

In particular, the Office Action asserts that Seaman teaches the derivative instrument of claim 14 by providing an option linked to a debt security. But in Seaman the option is part of the financial instrument provided to an investor, who purchases the instrument from an issuer. Claim 14 is directed to something completely different – the derivative instrument is purchased by an issuer. Moreover, the derivative instrument is separate from the debt security sold by the issuer.

Thus, the limitations of claim 14 are not taught by Seaman. Individual words in claim 14 may be mentioned in Seaman, but the second limitation of claim 14, regarding the derivative

instrument that provides an option to an issuer of a debt security, is entirely absent from Seaman, and the claimed invention as a whole is completely unrelated to that taught by Seaman. Based on the above, all grounds for rejection are believed overcome by this Response.

The Patent Office is respectfully reminded of MPEP § 707.07(g), which specifies that piecemeal examination should be avoided as much as possible, and that each claim should be rejected on all valid grounds available. See also 37 C.F.R. § 1.104(c)(2) (“the examiner must cite the best references at his or her command” and “the particular part relied on must be designated as nearly as practicable”).

No statements made herein are intended to reduce the scope of the claims beyond that dictated by the plain wording of the claims themselves. Arguments regarding claim limitations are intended to apply only to claims explicitly possessing those limitations.

Applicants respectfully note that it is improper to ignore arguments made in response to office actions. See MPEP § 707(f): “Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant’s argument and answer the substance of it.”

No fee is believed to be due with this Response (other than the extension fee authorized above and the separately-authorized RCE fee). However, if any fee is due, please charge that fee to Deposit Account No. 50-0310.

Respectfully submitted,



Dated: June 20, 2006

Steven D. Underwood
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178
Customer No. 09629
(212) 309-6196